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- Deaf and Hard of Hearing
Clearinghouse

January 26, 2006

The Committee for Purchase from People Who are Blind or Severely Disabled
1421 Jefferson Davis Highway
Jefferson Plaza 2, Suite 10800
Arlington, VA 22202-3259

Dear Committee Members:

Thank you for the opportunity to submit comments to you regarding the Committee's plans to regulate the governance of non profits participating in the Javits-Wagner O'Day (JWOD) program. GTP Industries is a private non profit community based employment and training business located in Traverse City, Michigan. GTP Industries is a JWOD producing CRP.

Currently 1% of our gross income is derived from a JWOD contract. Seven individuals with severe disabilities are employed on this contract. On a monthly basis GTP provides employment and training services to over 160 persons in seven counties of Northwestern Lower Michigan. While our current JWOD contract is for janitorial services, GTP Industries is a manufacturer and seller of polyethylene liners (plastic bags) to a national market. We are currently working with NISH North Central to identify poly liner contracts with the Federal Government.

We wish to provide comments on several of the issues raised in the December Federal Register Notice wherein the Committee outlined its thinking on governance matters. Overall, as stated in our letter to you on these issues of December 9, 2004, GTP believes that it is unnecessary for the Committee to begin policing non profit organizations. Specifically, we believe that the issue of Board of Director's governance, specifically with respect to Board term limits, size, and other issues. Most decisions are made in conformance with national accrediting standards such as CARF and/or local community needs and conditions. This is certainly not an area that the Committee needs to concern itself with because it simply has no negative reflection on the JWOD Program. Our Board, for example, eliminated term limits several years ago in order to continue to benefit from long serving, knowledgeable Board members who were committed to the mission. Additionally, it is difficult to recruit talented people in our community who are willing to serve on a Board. We provide services to 10 counties and require that some members come from counties outside our Traverse City base. It is difficult to recruit talented people who are willing to drive 50 to 100 miles to monthly Board meetings.



Accredited by CARF...the Rehabilitation Accreditation Commission

Michigan's Best



- Creating Opportunities for Individuals with Disabilities -

With respect to outside accreditation, any CRP accredited by CARF or other reputable national accrediting bodies should simply be exempt from any additional overlays of governance standards.

We believe it is important to consider exempting from governance regulations any non profit which has a minimal percentage of revenue from JWOD contracts. Additional regulations may cause some small JWOD producing non profits to choose between an important source of revenue that imposes significant compliance costs or forgoing JWOD contracts which would mean fewer organizations participating in JWOD and fewer people with severe disabilities having jobs.

With respect to executive compensation, the issue which receives the most attention from the media and Congress, the Committee has made no justification as to why JWOD producing CRPs should be held to a different standard than compensation for executives at Boeing, for example, which is a large Federal contractor and is not tied to a federal pay scale. The Internal Revenue Service has regulations in place dealing with executive compensation. It has policies and procedures to ensure this compensation is not excessive with penalties in place if it is. All non profits are bound by these regulations. The Committee should not duplicate the work of the IRS in this area. Additionally, this is an area that Congress is also reviewing. In our opinion, the Committee for Purchase should refrain from promulgating any regulations dealing with executive compensation. There is no rational for regulations and any regulations will likely have unintended, harmful consequences for the JWOD program.

We sincerely hope you take into account our comments and the many other comments you are receiving in the same vein. We certainly hope you have not predetermined an action and are discounting comments from the field. Once again, thank you very much for the opportunity to submit our comments to you regarding the Committee's plans to regulate the governance of non profits participating in the Javits-Wagner O'Day program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve H. Perdue".

Steve H. Perdue
CEO